2020 Amazon SMB Impact Report

INDIA
Small and medium businesses (SMBs) are the growth engine of the Indian economy and have been a fundamental part of our business worldwide and in India. Today, we are proud that more than 10 lakh SMBs in India are part of Amazon.in. We see great value in investing in the success of sellers, artisans, authors, content creators, delivery & logistics services, and software developers. When they thrive, our customers benefit from the products and services they offer. We know we have an important role to play in India’s growth flywheel and we take this responsibility very seriously.

The spread of COVID-19 has had a major impact on the world around us, creating several challenges for everyone but more so for small businesses. With customer buying habits changing—prioritising health and safety and following social distancing norms, for instance—we have seen a strong adoption of digital products and services, including e-commerce. Over 1.5 lakh new businesses chose to go digital this year with Amazon.in, of which more than 1 lakh joined during the pandemic to rebound from its business impact. We have seen a consistent growth in the number of sellers crossing ₹10 lakh, ₹50 lakh and ₹1 Cr in sales; in fact tens of thousands of new sellers made their first sale on e-commerce this year with Amazon.in.

A case in point is Sakshi Khandelwal who runs an electronics and appliances store in Delhi and joined our Local Shops on Amazon programme to reach customers beyond her immediate neighbourhood. Her online business has been growing steadily in the last few months and her team has grown from three members at the start of the year to more than 10 people now. Like Sakshi, lakhs of neighbourhood store owners across the country are already partnering with us as pickup points, logistics partners, experience centres, assisted shopping points for customers and are truly becoming digital entrepreneurs.

As businesses associated with Amazon.in accelerated their growth, other Amazon businesses in India witnessed similar trends. Amazon Web Services is helping hundreds of thousands of SMBs, startups, and partners launch and scale their businesses. There are more than 100,000 developers from India who are building skills for Alexa globally. These technology entrepreneurs are creating enormous economic value, and delighting customers with their innovations. Kindle Direct Publishing (KDP) has enabled hundreds of Indian authors to earn more than ₹1 lakh each in royalties during the year. We have seen a consistent increase in the number of entrepreneurs who are helping us create a robust delivery network across India.

At the start of 2020, we made three important commitments to India: digitising 10 million small businesses, enabling exports worth $10B and creating 1 million new jobs by 2025. Today, these commitments are more important than ever. We will continue working with our partners to contribute to the growth of the Indian economy and realise the vision of an Aatmanirbhar Bharat.

This SMB Impact Report marks some of our key milestones and presents extraordinary success stories that reflect the indomitable spirit of lakhs of entrepreneurs and business owners across India.
Amazon.in

Over 50% of the 7 lakh sellers on Amazon.in are from tier-2 and tier-3 markets such as Aligarh in Uttar Pradesh, Idukki in Kerala, Angul in Odisha and Rajpipla in Gujarat.

4,152 sellers have surpassed ₹1 crore in sales, with 29% YOY growth in 2020

135% sales growth

Number of sellers under Amazon Launchpad grew 1.7X; total business by Amazon Launchpad sellers grew 135% YOY in the year ending July 31, 2020

15X sales growth

Number of women entrepreneurs under Amazon Saheli grew 88%; total business by Amazon Saheli sellers grew 15X YOY in the year ending July 31, 2020

2.8X sales growth

Number of sellers under Amazon Karigar grew 40%; total business by Amazon Karigar sellers grew 2.8X YOY in the year ending July 31, 2020

"We are in the business of selling men's cotton shirts. I joined Amazon Launchpad over two years ago. In these two years, we registered a marked increase in our sales and achieved our first ₹1 crore sale during the recent festive season. Selling on Amazon.in has allowed me to expand my business and add 20 new members to my team. The success of Levizo, due to the increased brand visibility through the Amazon Launchpad storefront, has led to a rise in the awareness and purchase of men's shirts."

Lavish Bansal
FOUNDER-LEVIZO

Ludhiana, Punjab

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Over 1,200 service providers assisted nearly 1.2 lakh sellers

Sakshi Khandelwal
FOUNDER, SHIV ELECTRONICS

“I always wanted to start a business of my own, but it was not until 2017 that I launched my shop in Nangloi. Customers would drop in to my store for all kinds of gadgets and electronics, including large appliances. To expand our reach and cater to customers beyond my locality, I joined the ‘Local Shops on Amazon’ programme recently. Since joining Local Shops, we have seen our online business grow month on month. More importantly, it offers us greater control over the inventory and delivery of the products. We started the year with three employees and today we have ten team members.”
### Top 10 states and Union Territories with the highest number of sellers

Delhi has the highest number of sellers on Amazon.in in the country, with over 1 lakh sellers. Five states have more than 50,000 sellers, and nine states have more than 25,000 sellers.

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Number of Sellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Delhi</td>
<td>1,12,411</td>
</tr>
<tr>
<td>02</td>
<td>Maharashtra</td>
<td>87,229</td>
</tr>
<tr>
<td>03</td>
<td>Gujarat</td>
<td>79,109</td>
</tr>
<tr>
<td>04</td>
<td>Uttar Pradesh</td>
<td>70,208</td>
</tr>
<tr>
<td>05</td>
<td>Rajasthan</td>
<td>52,416</td>
</tr>
<tr>
<td>06</td>
<td>Tamil Nadu</td>
<td>43,526</td>
</tr>
<tr>
<td>07</td>
<td>Haryana</td>
<td>36,660</td>
</tr>
<tr>
<td>08</td>
<td>Karnataka</td>
<td>34,726</td>
</tr>
<tr>
<td>09</td>
<td>West Bengal</td>
<td>25,137</td>
</tr>
<tr>
<td>10</td>
<td>Madhya Pradesh</td>
<td>23,678</td>
</tr>
</tbody>
</table>
Top 10 states and Union Territories with the highest number of new sellers

Delhi registered the highest number of new sellers (20,000+), followed by Gujarat and Maharashtra.
Amazon Business

Aimed at empowering SMBs, Amazon Business is a one-stop B2B marketplace. With over 3.7 lakh sellers selling to business customers, Amazon Business has seen 75% YOY growth in its customer registrations in India. As businesses rebound from recent challenges, more SMB customers are turning to Amazon Business. In addition to major cities, smaller towns such as Khanaur in Punjab, Bhuran in Haryana, Dwarahat in Uttarakhand, and Kurwai in Madhya Pradesh have seen an uptick in orders on Amazon Business.

85% YOY growth
Amazon Business marketplace registered 85% YOY growth in sales

12 lakh+
SMB customers
Over 12 lakh customers, registrations growing by 75% YOY

20 crore+
GST enabled products
Over 3.7 lakh sellers offer more than 20 crore GST enabled products, with delivery across 99.8% pin codes

64%
increase in monthly orders
64.6% increase in average monthly order volumes in 2020

“We operate out of Alibaug and that has its own set of supply chain challenges. While we are nearly four hours from the nearest city, with Amazon Business it is just a click away. We buy everything—from large equipment to cleaning supplies to coco peat, planting trays—from Amazon Business. The key reason why Impossible Foods is using Amazon Business is that they are efficient. It makes our lives easier and our growth path quicker.”

Vivan Futehally
FOUNDER, PURE BROT BY IMPOSSIBLE FOODS

Alibaug, Maharashtra
Amazon Global Selling

Amazon Global Selling helps Indian SMBs and brands take their local innovation and expertise to the world. Launched in 2015, the programme provides transformative opportunities to entrepreneurs and businesses by offering distribution capabilities, marketing efforts, tech support and access to millions of customers worldwide, enabling Indian businesses to scale rapidly.

Mudita Todi Ajmera
CO-FOUNDER, JACKINTHEBOX TOYS

“My husband and I set up JackInTheBox in 2015 to make toys that nurture the curiosity, creativity and imagination of children through carefully planned activities. Our larger vision has always been to make it a global brand, which drove us to register with Amazon Global Selling. Since joining the programme four years ago, we have secured lakhs of customers across 15 countries. Our revenue has grown 2X YOY and we are now competing with some of the biggest names in the sector. With Amazon, we have been able to become a brand that is among the top craft toy brands in the world, and our Made in India products are loved by customers everywhere.”

Over 70,000 Indian exporters are selling worldwide on 15 Amazon websites

Over 800 Indian SMBs surpassed ₹1 crore in sales in 2019

Over 70,000+ exporters

Indian SMBs and brands on Amazon Global Selling have crossed $2 billion in cumulative exports

₹1 crore+ in sales

Mumbai, Maharashtra

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<table>
<thead>
<tr>
<th><strong>1,24,025 sellers</strong></th>
<th><strong>1,24,025 sellers from 6,542 pin codes received an order; close to 74,000 sellers from tier-2 cities</strong></th>
<th><strong>₹1 crore+ sales</strong></th>
<th><strong>657 sellers received sales of more than ₹1 crore, 7,036 sellers over ₹10 lakh</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>66,000 sellers</strong></td>
<td><strong>Over 66,000 sellers received highest ever single day sale</strong></td>
<td><strong>99.3% pin codes</strong></td>
<td><strong>Bharat shops safely on Amazon.in – orders from 99.3% of India’s pin codes</strong></td>
</tr>
</tbody>
</table>

**Over 70,000 Indian exporters on Amazon's Global Selling programme showcased millions of Made in India products to customers across the world during the annual Black Friday, Cyber Monday sale globally.**

<table>
<thead>
<tr>
<th><strong>50% YOY growth in sales</strong></th>
<th><strong>Indian exporters on Amazon Global Selling register over 50% YOY growth in sales during the annual Black Friday Cyber Monday sale on Amazon globally</strong></th>
<th><strong>2X YOY growth during BFCM 2020</strong></th>
<th><strong>Furniture and Toy categories nearly doubled YOY during BFCM 2020</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>343 Indian exporters</strong></td>
<td><strong>343 Indian exporters clocked over ₹10 lakh in sales during the Black Friday Cyber Monday sale, with 154 crossing ₹25 lakh in sales</strong></td>
<td><strong>3X demand in foreign markets</strong></td>
<td><strong>Indian sellers witnessed nearly 3X surge in demand across North America, EU, Middle East and North Africa</strong></td>
</tr>
</tbody>
</table>
Opinion

Small and medium businesses (SMBs) are a critical part of our economy, contributing nearly 30% to India's GDP and providing livelihood & employment opportunities for crores of people. SMBs and MSMEs are the nucleus of India's growth story and as Hon’ble Union Minister Shri Nitin Gadkari had recently mentioned, the scaling of MSME contribution to 50% of Indian GDP will sustain our economy. Technology will play a crucial role for the sector to grow and thrive in the coming years— it can enhance supply management, garner market data and analytics, and create virtual access to local and global value chains. All this can provide the right environment for Indian entrepreneurs and businesses to flourish and bring robustness to India’s socio-economic dynamics.

The COVID-19 pandemic has mandated the need for individuals and businesses to adapt to technology faster than before. In fact, it has hastened the process of Digital Transformation which is no longer limited to just large companies or in certain metros. Today, technology adoption is benefiting businesses in tier-2 and tier-3 towns, helping them be a part of the digital economy. During the lockdown, we have seen e-commerce players play a crucial role in bridging gaps on the demand and supply side. While it helped serve customers at one end, it also helped lakhs of businesses sustain themselves and even grow. The role of e-commerce will become even more significant now, with digital transformation expected to become part of the new normal. E-commerce has the power to galvanize India’s small businesses and enable them to reach customers beyond the barriers of geographies.

At Vision India Foundation, our mission is to bring systemic reforms in India by mentoring individuals who have the potential to become future leaders. These public, thought, political, and community leaders will go on to shape public policy, governance and institutional frameworks that align with the nation’s aspirations and ethos. In our quest to build a modern India—one of the most vibrant economies in the world—we lean on industry players like Amazon that are invested in the nation’s growth. Amazon is leveraging its technology and expertise to digitally empower India’s small businesses and enabling entrepreneurs to reach customers across India and even compete in the global market.

As India marches towards its goal of becoming a $5 trillion economy in the next five years, SMBs will play a decisive role in the nation’s economic transformation. Supporting the government’s strategy of digitising the small and medium businesses will go a long way in reinvigorating the economy and providing India’s driven entrepreneur community a powerful platform to achieve their goals and contribute to the nation’s growth.

Vision India Foundation was launched in late 2014 by alumni and faculty members of various IITs. It is a result of several years of thought and experiments on nation-building. The Foundation has developed technology tools to bring innovation in governance and worked with a number of policy leaders to bring change.
Amazon Easy

Amazon Easy enables assisted shopping service for customers who may be new to e-commerce or those who don’t shop online because of barriers like lack of trust, lack of access to the internet and unavailability of acceptable and available payment instruments for transactions conducted online. Amazon has tied up with local entrepreneurs to enable and manage Amazon Easy services at their stores, where customers can walk in for assistance with shopping on Amazon.in.

Shubham Jain
AMAZON EASY STORE OWNER

“I started my travel agency Vardhman Tour and Travels in Saharanpur 12 years ago, but when everything began moving online our revenues started dipping. I decided to partner with Amazon Easy in August 2020 to sell grocery and electronics. It helped me secure an immediate customer base. Our collaboration with Amazon has helped me grow more than 2X in three months and I have added two more employees to keep up with the demand. During the Amazon Great Indian Festival recently, we did sales worth ₹10 lakh. The increased footfalls have also resulted in more people reaching out for travel related queries.”
Delivery and Logistics

Delivery Service Partner (DSP) is a key programme that has helped Amazon create a strong delivery network across India. Under DSP, Amazon enables and supports entrepreneurs to build their business by delivering packages to Amazon customers. In addition, there are other programmes like I Have Space (IHS) that enable micro-entrepreneurs, and an ecosystem of Trucking Partners that have seen their business grow through their association with Amazon.

- **Nearly 280 Delivery Service Partners operate over 1,500 delivery stations across 750 towns**
- **Close to 240 Trucking partners are associated with Amazon’s middle mile network in India**
- **Almost 28,000 neighbourhood stores fulfil last-mile deliveries in over 350 cities through I Have Space programme**
- **I Have Space partners on average earn ₹12,000 - ₹15,000 per month as supplemental income**

“Jamuna Rani

DELIVERY SERVICE PARTNER

“I used to work in a software company, but always wanted to become an entrepreneur. My dream came true when I became a Delivery Service Partner with Amazon in 2016. I now run a women-only delivery station in Chennai. I started with three delivery associates; now the number has grown to 15. I wanted to prove that I am capable of this unique challenge. I believe that the will to do something different, a passion to fulfil your desire and a little effort is all that’s required to achieve your goals.”

Chennai, Tamil Nadu
Kindle Direct Publishing

Kindle Direct Publishing (KDP) gives authors a fast and easy way to self-publish books and make them available for millions to read around the world. Authors earn up to 70% in royalties, get to markets as fast as they want and do it all for free. Since its launch, Indian authors have published over 2 lakh books through KDP in multiple languages.

₹45 crore

Indian authors have earned more than ₹45 crore through books published on KDP in the year ending November 30, 2020, growing over 2X YOY

₹1 lakh+

Hundreds of independent authors have earned more than ₹1 lakh each in royalties, in the year ending November 30, 2020

Indian language authors

Thousands of Indian language authors have published books in Hindi, Tamil, Malayalam, Marathi and Gujarati on KDP

MV Kasi

AUTHOR

“Till a few years ago I held a full-time job in the IT sector, but my passion lay in writing romance novels. Though I had the draft of my first novel ready, I barely got time to market it or reach out to publishing houses. That’s when I decided to self-publish on KDP. When I realised how simple the process was, I went ahead and published more novels. My third book became number one on Amazon in the romance novel category! The book’s success convinced me to turn full-time author. Since joining the KDP service in 2016, I have published 20 books. In the last four years I have gained a broad reader base and have been earning a steady income. The best part was getting noticed by big publishers soon after my book became a bestseller on the Kindle Store.”

Hyderabad, Telangana

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Alexa Developer Community

Amazon’s vision is for Alexa to be everywhere and to do many things. We work with thousands of third-party developers, voice agencies and brands who are coming up with engaging uses for voice every day. With the Alexa Skills Kit (ASK) and Alexa Voice Service (AVS), designers, developers, and brands are building engaging skills and innovative Alexa built-in devices to reach new customers.

Vishal Golia
FOUNDER & CEO, BOLTD

“When I first noticed that Alexa was the star of the CES 2017 show, I knew that it was going to be huge and I pivoted from my online games business to developing on voice. Today, as an Amazon listed Alexa skill development agency, we are working with the likes of Unilever, Audi and Prime Video, enabling such brands to reach out to their customers through voice. Thanks to the support from the Alexa team, our business has grown by leaps and bounds and we are actively adding more development hands to our team. To be able to work on cutting edge technology, run a growing and profitable business, and more importantly enrich the lives of hundreds of thousands of users through voice, life’s good!”

Over 1 lakh developers from India are building for Alexa globally

Over 30,000 skills built by large enterprises, small and medium businesses and independent developers

Over 100 Alexa built-in devices like smart speakers, fitness trackers, and Smart TVs

Thousands of smart home devices compatible with Amazon Alexa
Amazon Web Services

Amazon Web Services (AWS) is helping hundreds of thousands of SMB startups, customers and partners launch and scale businesses that enrich their communities and the world. In India, we work with hundreds of thousands of active customers. With AWS, businesses can instantly scale resources up or down as their demands change. AWS provides startups, including both smaller, early stage companies and more advanced digital businesses, with free tools and resources to get started quickly on AWS and accelerate their growth and development. It’s no wonder more startups build on AWS than any other cloud provider.

Helping
thousands of SMB startups globally

AWS is helping hundreds of thousands of SMB startups, customers and partners launch and scale their business

$1B
credits given

Since June 2019, AWS has provided more than $1 billion in AWS credits to help startups accelerate their growth and development as they build their businesses

AWS credits
technical support and training

AWS Activate has provided hundreds of thousands of startups with a host of benefits, including AWS promotional credits, technical support and training

*Global AWS Data

Brijesh Patel
HEAD OF IT, DEEP FOODS INC.

“Even though 2020 has been a challenging time for everyone across the world, at Deep Foods Inc. we have been using AWS since 2015 and this smart transition has, as always, kept us going without any issues. For a company like ours where downtime could cause damages in thousands of dollars, it is of utmost importance to have IT infrastructure with uptime of 100%. During COVID we had to provide our employees with work from home (WFH) access. By adding OpenVPN, Amazon Workspaces, Amazon Connect, and Amazon Chime, we were able to provide 100% WFH to all our global employees within minutes. With pay-as-you-go and flexible services provided by AWS, we were easily able to scale down under-utilised resources and save on our AWS billing.”

R Venkatesh
PRESIDENT, ENTERPRISE BUSINESS GROUP, REDINGTON INDIA LIMITED

“AWS’s myriad offerings of enterprise-class services, available as a pay-per-usage model to customers of all sizes, have helped SMB customers scale quickly in a challenging and competitive environment. As an AWS Distribution Partner in India and SAARC, we have been a catalyst in onboarding and helping SMB organisations solve some of their IT and business challenges by leveraging Redington’s consulting, migration, and 24/7 managed services capabilities. With minimal investment, this is a good moment for organisations to further accelerate their digital transformation and reinvent their business processes. I believe that during the current pandemic the business-driven value that the cloud represents – speed, agility, scalability, pay per use – and the methods to evolve the organisations operating model will accordingly accelerate. Along with AWS and a mature ecosystem of partners, we are aptly positioned to drive and develop future opportunities in this market place.”
To learn more about how Amazon supports and works with small and medium-sized businesses, visit:

https://blog.aboutamazon.in/supporting-small-business